

PENSION COMMITTEE
REGULAR MEETING
OCTOBER 30, 2014 TOWN HALL 9:00 A.M.

CALL TO ORDER: The meeting was called to order at 9:00 AM.

MEMBERS PRESENT: Bill Kirkpatrick, chair; Ham Wilson, member; Bryan Wissinger, Somers Town Accountant AUDIENCE PRESENT: Tom Forma, Morgan Stanley

APPROVAL OF MINUTES OF REGULAR MEETING OF JULY 31:

The minutes were approved as written.

IMPLICATIONS OF THE CHANGE IN THE CUSTODIAN OF ASSETS

Merrill Lynch has custody of the assets but, due to a policy change, can no longer provide investment advice. We will need a new investment advisor, and our assets must be out of Merrill Lynch no later than February 27, 2015. With no advisor in place, a change in custodian required, and RFP likely to take 4-6 months, it was moved, seconded, and passed unanimously to transfer all Town Plan assets to Morgan Stanley as soon as possible, or at least until an RFP can be acted upon.

It should also be possible to consolidate the Volunteer Fire Plan and possibly other funds to one custodian and save some custody fees.

Hooker and Holcombe will provide the Town with a generic RFP outline, which we may customize. Under this scenario, Tom Forma will still provide investment advice and monitor our assets and investment managers, at least until the completion of the RFP.

INVESTMENT REVIEW AND DECISIONS FOR THE TOWN FUND

For the last fiscal year, the Town Fund returned a net of 18.4% versus 15.7% for State public funds and 16.9% for municipal funds nationwide. Given our heavy equity exposure it was moved and seconded and passed unanimously to purchase a \$250,000 CD for three months. This includes the \$137,000 recent deposit from the Town.

INVESTMENT REVIEW AND DECISIONS FOR VOLUNTEER FIREFIGHTERS FUND

Overall, this fund continues to perform well. There is less than \$500 of available cash. No decisions or changes are to be made at this time. Depending on the Town contribution (still to be determined for this year), we may have to sell some assets in order to pay benefits.

INVESTMENT POLICY STATEMENT DRAFT

As this committee wishes to remain very active in managing pension assets, we are building flexibility into a new Policy Statement. A draft is being reviewed. We have scheduled a special meeting of the Pension Board for Thursday, November 13, at 9:00 AM in Town Hall for the drafting of an Investment Policy Statement. The resulting document should accompany any RFP for the pension plans.

MEETING SCHEDULE FOR 2015

It was moved, seconded, and passed unanimously to adopt the following schedule for regular meetings: January 29, April 30, July 30, and October 29. All meetings will be held at 9:00 AM at Town Hall.

ADJOURNMENT: The meeting was adjourned at 10:12 AM.

Respectfully submitted,

Hamline C. Wilson, Clerk